



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JAMES E. MCGREEVEY
Governor

WILLIAM L. LIBRERA
Commissioner

September 5, 2003

TO: Chief School Administrators
Business Administrators

FROM: Richard Rosenberg *R. Rosenberg*
Assistant Commissioner
Division of Finance

RE: Comprehensive Maintenance Plans per N.J.A.C. 6A:26A
Forms and Instructions for FY 04-05

Please find attached an Annual Maintenance Budget Amount Worksheet (Form M-1) and a Detailed Expenditures Worksheet with instructions for their completion. These documents are integral to the completion of the districts' Comprehensive Maintenance Plan for FY 04-05 and beyond. These documents will also be posted on the Department of Education website at <http://www.nj.gov/njded/facilities>.

As you are aware, districts must demonstrate an investment of two percent of the replacement cost of school facilities in required maintenance activities over the ten years preceding the issuance of the financing as required by law (P.L.2000, c.72) in order to receive future school facilities aid.

The Department is issuing a revised Form M-1 that will require the district to fill in the facilities information. The revised Form M-1 includes a second worksheet entitled Detailed Expenditures. This second worksheet will allow districts to use a single form for a period of ten years (FY 00-01 to FY 09-10). Maintaining the expenditure records for 10 years on one sheet will simplify the tracking and reporting of maintenance expenditures.

Comprehensive Maintenance Plans (CMPs) are to be submitted with the district's Quality Assurance Report (QAAR) by October 30, 2003. The district should submit the CMP with the accompanying resolution to the Office of School Facilities in the Department's Division of Finance and the County Superintendent's Office for review and approval. The district will be notified if the CMP is not accepted.

I hope this information is useful. Please contact Mr. Hany Salib at (609) 943-5681 of the Department's Office of School Facilities, if you need any additional information or have any questions about this matter.

Updating the Annual Required Maintenance Budget Amount Worksheet (Form M-1) for FY 04-05

The M-1 worksheet is a tool to help districts estimate the annual required maintenance budget amount to be submitted with the district's Comprehensive Maintenance Plan (CMP).

The M-1 worksheet was provided for the first time in the fall of 2001 pre-populated with the district facilities information. For this year, the Department is issuing a revised Form M-1 that will require the district to fill in the facilities information. Also, the revised Form M-1 includes a second worksheet entitled Detailed Expenditures. This second worksheet was added to allow districts to use a single form for a period of 10 years starting in FY 00-01 and ending in FY 09-10. Maintaining the records of expenditures for 10 years on one sheet will simplify the tracking and reporting of maintenance expenditures.

The following provides instructions on filling in the M-1 worksheet to calculate the required maintenance budget amount for 2004-05. These numbered instructions correspond to the updated sample M-1 form.

1. Go to <http://www.nj.gov/njded/facilities/tools/maintenance/> and download the **M-1 Form Template** and save the file to your PC.
2. Enter the District's information in the (yellow cells) at the top of the form.
3. Go to the first worksheet (M-1) and fill in columns A (School Facility Name), column B (School Number) and column C (Gross Building Area). Note: this information can be copied from the prior year's worksheet and by updating the Gross Building Area.
4. Column D (Building Replacement Value) will be automatically populated. The value of this column is the result of multiplying the gross building area by the current Area Cost Allowance per SF (\$143.00).
5. Column E (Prior Years Actual & Current Year Budgeted Expenditure) will be automatically calculated when you enter information on the second worksheet (Detailed Expenditures)
6. Column F (Min. Annual Target Expenditure for FY 04-05) will be automatically calculated. The value is the result of multiplying the building replacement value by 0.2%. This will give you the minimum annual target expenditure.
7. In column G (Anticipated Budget for FY 04-05), enter the amount the district is anticipating to spend, which shall be equal to or greater than the minimum annual target expenditure as of June 30th 2003.
8. Enter the Current District Maintenance Reserve Amount. This amount shall not exceed the calculated amount of Max. Maintenance Reserve Amount. (This value is 4% of column D).
9. On the second worksheet (Detailed Expenditure) columns A, B and C will be automatically populated from (M-1) worksheet.
10. Enter in column D (Prorated Actual Expenditure FY 00-01). Unless actual expenditures were available, you can obtain this information from the 2002 CAFR Required Schedule as the total expenditure was prorated by gross building area.

11. Enter in column E (Prorated Actual Expenditure FY 01-02). Unless actual expenditures were available you can get this information from the 2002 CAFR Required Schedule as the total expenditure was prorated by gross building area.
12. Enter in column F (Actual Expenditure FY 02-03). This information shall be the actual expenditure by building (not prorated) as reported in the 2003 CAFR.
13. Enter in column G (Budgeted Amount FY 03-04) the budgeted amount from the 03-04 Certified Budget.
14. For the following filing year, column G (Budgeted Amount) shall be replaced with Actual Expenditure and column H (Budgeted Amount).

Most districts should be able to meet the required deposit amount, and will find that they have spent more than the required minimum annual amounts. Districts should not consider the required minimum to be the appropriate amount to be budgeted and expended in this area, and should not reduce their budget to meet the minimum requirement.

However, other districts may find that they need to increase their spending in order to meet the required minimums, and may need to compensate by budgeting more than the required minimum in the 2004-05 budget. Because these funds are subject to the district's spending growth limitation, a few districts may need more than one year to catch up and must appeal to the County Superintendent for relief from budgeting the required minimum amount pursuant to N.J.A.C. 6A:26A-4.1 (c).

A full copy of the Comprehensive Maintenance Plan Regulations N.J.A.C. 6A:26A can be found on the DOE website <http://www.nj.gov/njded/code/>

After making these changes, districts can print the updated worksheet and submit it with the Comprehensive Maintenance Plan to the County Superintendent's Office.



**Annual Maintenance
Budget Amount Worksheet
Per N.J.A.C. 6A:26A**

Current Area Cost Allowance per SF	\$ 143.00
District contact name	
District contact phone	
District contact e-mail	

Max. Maintenance Reserve Amount (4% of column D)	\$ -
Current District Maintenance Reserve Amount	
